

TEACHERS' RETIREMENT BOARD
BUDGETS AND AUDITS COMMITTEE

SUBJECT: CPA's Report to Management
for the Fiscal Year Ended
June 30, 1998

ITEM NUMBER: 5

ATTACHMENTS: 1

ACTION: X

DATE OF MEETING: November 5, 1998

INFORMATION: _____

PRESENTER: Mr. Lee/
PricewaterhouseCoopers, L.L.P

Attached for your approval is the Report to Management issued by PricewaterhouseCoopers L.L.P. in connection with their audit of the System's general purpose financial statements for the fiscal year ended June 30, 1998. The external auditors made four recommendations designed to help the System make improvements in internal controls. Staff responses to the recommendations are included in the Report. Overall, staff agrees with the recommendations made by PricewaterhouseCoopers L.L.P.

Report to management will be mailed out under separate cover.

RECOMMENDATION:

Staff recommends that the Budget and Audits Committee adopt the attached proposed resolution approving the Report to Management for the year ended June 30, 1998.

PROPOSED RESOLUTION OF THE
TEACHERS=RETIREMENT BOARD
BUDGET AND AUDITS COMMITTEE

Subject: Report of External Auditors -
Report to Management

Resolution No. _____

WHEREAS, the Teachers= Retirement Board is required by law to have an annual audit of the State Teachers= Retirement System's financial statements by a certified public accountant or public accountant;

WHEREAS, the Board, in compliance with the law, engaged the accounting firm of PricewaterhouseCoopers L.L.P. to audit the System's financial statements for the fiscal year ended June 30, 1998;

WHEREAS, the accounting firm of PricewaterhouseCoopers L.L.P. has completed the audit and issued the Report on Audits of Combined Financial Statements for the Teachers= Retirement Fund, Cash Balance Plan, and 403(b) Program for the fiscal year ended June 30, 1998;

WHEREAS, STRS staff's responses to the Report to Management are adequate, management has plans to improve the System's internal control structure and operations, in accordance with the recommendations made by PricewaterhouseCoopers L.L.P.; therefore, be it

RESOLVED, that the Board approve and adopt the Report to Management for the fiscal year ended June 30, 1998 issued by PricewaterhouseCoopers L.L.P.

Decision of the:
Budgets and Audit Committee

Ratified by the:
Teachers=Retirement Board

November 5, 1998

JAMES D. MOSMAN
Chief Executive Officer